

*Speeches*

Office of the White House Press Secretary

THE WHITE HOUSE

REMARKS BY THE PRESIDENT AT  
THE TASK FORCE MEETING ON COST  
REDUCTION

I have asked you to meet with me this morning to discuss our budgetary outlook.

In the past two years we have made more progress in enacting progressive domestic legislation than at any time in this generation. We have gotten through the Congress -- or will shortly have done so -- the kind of forward-looking legislation which would have been regarded as all but impossible only a few years ago.

This includes:

1. \$19 billions of reductions in income and excise taxes -- reductions which have helped to keep going the longest peacetime economic expansion in history.
2. Two major civil rights bills -- helping to assure the American Negro his full rights as an American citizen.
3. A Medicare bill which provides far more in medical care for the elderly than its original sponsors dared suggest.
4. An anti-poverty program which has already brought work and education, and above all, hope to millions of the desperately poor.
5. An education bill which, for the first time, clearly breaks through the barriers of tradition to assure more adequate support for elementary and secondary education.
6. A rent supplement proposal which makes it possible to provide decent housing for low-income families on a large scale and in a dignified way.

I believe the reasons for unparalleled success are clear:

First, because we have been able to demonstrate that these are sound, practical, and carefully developed programs which serve the interests of all the people.

Second, and equally as important, because we have made the effort -- a real and convincing effort -- to guarantee the people and the Congress that they are getting full value for every dollar spent. We have shown that compassionate government does not mean imprudent government -- that we are just as interested in rooting out old and inefficient programs as in developing new ones.

Between fiscal 1964 and 1966 we will increase spending on the major Great Society programs by \$4-1/2 billion -- a rise of over 60%. But our total budget will go up by only \$2 billion. Over half of the new spending is being financed from improved efficiency and reductions in less essential programs.

This is a sound and progressive approach. It has paid off in terms of legislative success. I mean to continue it.

But continuing in this direction is going to become increasingly difficult for three reasons:

1. We are facing sharp increases in spending from programs enacted during the past two years.
2. For two years in a row, the January budget has been able to forecast reductions in Defense spending. This will not be the case next year -- even before taking into account the rising costs of our Viet-Nam operations.
3. We have sharply increased our sale of financial assets -- thus freeing funds for use elsewhere. But we cannot count upon similar asset sales increases in the future.

You have all submitted your program plans and proposals to the Budget Bureau, as part of the summer budget preview. The Budget Director has estimated the 1967 cost of these programs. If, between now and January, program requests are reduced by as much as they were in the same period last year, budget expenditures would still grow at a rate very substantially in excess of the rate of growth in our national economy.

Now I intend to spend whatever is necessary

- . to protect the security of the Nation
- . to honor our commitments abroad, and
- . to achieve the goals of our Society in America.

But I do not intend to spend a penny more than this, and I am absolutely certain that a growth in budget expenditures at the rate indicated is neither necessary nor inevitable.

At the last Cabinet meeting I asked each of the Cabinet members and Agency heads to appoint a task force to identify areas where savings could be made to offset the increased spending from new and expended programs.

I have asked to meet with you, the members of these task forces, to impress on each of you how important I conceive your work to be.

There are a number of principles I think you ought to follow in your deliberations:

First, hold no program sacred. No program -- no matter how long established -- should be free of a cold and searching examination. Let me worry about the political problems -- I'll make those decisions. Some decisions may be unpopular for a time -- but sanity and sense will be far more popular in the long run.

Second, real savings are going to come from reducing or eliminating obsolete programs. While I do want you to find more efficient ways of running existing programs, I don't want you to concentrate so heavily on that aspect, that you refrain from asking whether the program itself is worthwhile.

-3-

Finally, put your imagination to work. When it comes to proposing new programs, I find little want of imagination. I would urge you to be equally ingenious in looking for areas of savings -- in examining alternatives least-cost ways to achieve your agency's objectives.

Remember -- the work you do is work that is being watched here, being supported here, and being appreciated here -- in this House. It is creative work, vital work, constructive work -- and you can be proud of your contribution.

# # #